

Webster Parish Fire Protection District #10
Minden, Louisiana

Annual Financial Statements
December 31, 2016

WISE, MARTIN & COLE, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Commissioners
Webster Parish Fire Protection District #10
Minden, Louisiana

Report on the Financial Statements

We have reviewed the accompanying financial statements of the governmental activities of the Webster Parish Fire Protection #10 ("District"), as of and for the year ended December 31, 2016, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the District personnel. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

The management of the Webster Parish Fire Protection #10 ("District") is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Auditor's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Accountants' Conclusion

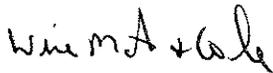
Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

The budgetary comparison information on page 19 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. The other supplemental schedules on pages 22 through 23 are not a required part of the basic financial statements and are presented for purposes of additional analysis. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but were compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

Management has not presented management's discussion and analysis information that the Government Accounting Standards Board has determined is required to supplement, although not required to part of, the basic financial statements.

WISE, MARTIN & COLE, LLC

A handwritten signature in cursive script that reads "wise martin & cole".

Minden, LA
November, 29, 2018

WEBSTER PARISH FIRE PROTECTION DISTRICT #10
MINDEN, LOUISIANA

Statement of Net Position
December 31, 2016

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 382,103
Investments	70,017
Prepaid assets	14,009
Receivables	291,034
Restricted assets	2,744
Capital assets (net)	<u>1,657,688</u>
Total assets	<u>\$ 2,417,595</u>
LIABILITIES	
Liabilities:	
Current Liabilities	
Accounts, salaries, and other payables	\$ 14,290
Payable from restricted assets	2,722
Bonds payable-current portion	<u>107,000</u>
Total current liabilities	<u>\$ 124,012</u>
Non Current Liabilities	
Bonds payable-long term portion	<u>1,477,000</u>
Total liabilities	<u>1,601,012</u>
NET POSITION	
Invested in capital assets, net of related debt	\$ 73,688
Unrestricted	<u>742,895</u>
Total net position	<u>\$ 816,583</u>

The accompanying notes are an integral part of this statement.

WEBSTER PARISH FIRE PROTECTION DISTRICT #10
MINDEN, LOUISIANA

Statement of Activities
For the year ended December 31, 2016

	Net <u>(Expenses)</u>
Governmental activities:	
Public safety - fire protection expenses	\$ (139,114)
Interest	(62,246)
Depreciation	<u>(125,840)</u>
Total Governmental Activities	<u>(327,200)</u>
 General revenues:	
Advalorem taxes	139,207
Interest	175
Miscellaneous	<u>234,271</u>
Total general revenues	<u>373,653</u>
 Change in net position	46,453
 Net position - beginning	<u>770,130</u>
 Net position - ending	<u>\$ 816,583</u>

The accompanying notes are an integral part of this statement.

WEBSTER PARISH FIRE PROTECTION DISTRICT #10
MINDEN, LOUISIANA

Balance Sheet - Governmental Fund
December 31, 2016

	Special Revenue Fund
	<u> </u>
ASSETS	
Cash	\$ 382,103
Investments	70,017
Prepaid assets	14,009
Restricted assets	2,744
Receivables	<u>291,034</u>
Total assets	<u><u>\$ 759,907</u></u>
LIABILITIES AND FUND EQUITY	
Liabilities:	
Accounts payable	\$ 14,290
Payable from Restricted Assets	<u>2,722</u>
Total liabilities	<u>17,012</u>
DEFERRED INFLOWS OF RESOURCES	
Property taxes uncollected	<u>120,619</u>
Total Deferred inflows of resources	<u>120,619</u>
Fund equity:	
Fund balances -	
Unassigned	<u>622,276</u>
Total fund equity	<u>622,276</u>
 Total liabilities and fund equity	 <u><u>\$ 759,907</u></u>

The accompanying notes are an integral part of this statement.

WEBSTER PARISH FIRE PROTECTION DISTRICT #10
MINDEN, LOUISIANA

Reconciliation of the Governmental Fund Balance Sheet
to the Government-Wide Financial Statement of Net Position

December 31, 2016

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balance, Total Governmental Fund (Statement C)	\$ 622,276
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund	1,657,688
Deferred revenues are not financial resources and, therefore, are not reported in the governmental fund	120,619
Payables which do not use current financial resources are not reported in the governmental fund	<u>(1,584,000)</u>
Net Position of Governmental Activities (Statement A)	<u>\$ 816,583</u>

The accompanying notes are an integral part of this statement.

WEBSTER PARISH FIRE PROTECTION DISTRICT #10
MINDEN, LOUISIANA

Governmental Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the year ended December 31, 2016

	<u>Special Revenue Fund</u>
REVENUES	
Ad valorem taxes	\$ 248,133
Interest	175
Intergovernmental revenues:	
Miscellaneous	<u>64,362</u>
Total revenues	<u>312,670</u>
EXPENDITURES	
Current - public safety:	
Utilities	7,410
Office Expense	9,355
Fire Chief & Fire Calls	10,215
Commissioner's	810
Small tools & supplies	24,623
Insurance	23,093
Fuel	2,861
Repairs and maintenance	44,763
Legal & accounting	5,000
Advertising	20
Pension Expense	11,176
Bond fees	-
Vehicle purchases	307,067
Equipment Purchase	44,839
Station Maintenance	9,119
Bond & Interest expense	<u>118,246</u>
Total expenditures	<u>618,597</u>
Excess (deficiency) of revenues over expenditures	<u>(305,927)</u>
Net Change in Fund Balance	(305,927)
Fund balances at beginning of year	<u>928,203</u>
Fund balances at end of year	<u>\$ 622,276</u>

The accompanying notes are an integral part of this statement.

WEBSTER PARISH FIRE PROTECTION DISTRICT #10
MINDEN, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund to the
Statement of Activities

For the Year Ended December 31, 2016

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balance, Governmental Fund (Statement E)	\$ (305,927)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(125,840)
Governmental funds report debt payments as expenditures.	56,000
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements	361,238
Some revenues reported in the statement of activities are not available as current financial resources and, therefore, are not reported as revenues in governmental fund. 60,982
Change in Net Position of Governmental Activities (Statement B)	<u>\$ 46,453</u>

The accompanying notes are an integral part of this statement.

Webster Parish Fire Protection District # 10
Notes to the Financial Statements
For the Year Ended December 31, 2016

INTRODUCTION

The Webster Parish Fire Protection District # 10 was created by resolution of the Webster Parish Police Jury in 1988. The District began collecting ad valorem taxes in January 1990. The District board consists of five members. Two members are appointed by the Webster Parish Police Jury, two members are appointed by the Village of Dixie Inn and the fifth member is appointed by the other four members and is the chairman of the District.

GASB Statement No. 14, The Reporting Entity, established criteria for determining the governmental reporting entity and component units should be included within the reporting entity. Under the provisions of this statement, the District is considered a component unit of the Webster Parish Police Jury. The police jury is financially accountable for the District because it appoints a voting majority of the board and has the ability to impose its will on them.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise that financial reporting entity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999. Certain of the significant changes in the Statement include the following:

* Financial statements prepared using full accrual accounting for all of the District's activities; and

* A change in the fund financial statements to focus on the major funds.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the Webster Parish Fire Protection District # 10 (District). For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to

Webster Parish Fire Protection District # 10
Notes to the Financial Statements
For the Year Ended December 31, 2016

customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. The major individual governmental fund, which is the general fund, is reported in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accompanying financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District has presented its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34. This new standard provides for significant changes in terminology, recognition of contributions in the Statement of Revenues, Expenses and Changes in Net Assets, inclusion of a management discussion and analysis as supplementary information and other changes.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Although most expenditures are recorded when a liability is incurred, as under accrual accounting, the measurement focus of a governmental fund significantly affects what items are to be considered expenditures in the governmental fund. Expenditures, and the related liabilities, are accrued when they are expected to be paid out of revenues recognized during the current period. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives cash.

The District reports the following major governmental fund:

Webster Parish Fire Protection District # 10
Notes to the Financial Statements
For the Year Ended December 31, 2016

The Special Revenue Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

D. CASH AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, and money market accounts with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the district may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

E. CAPITAL ASSETS

Capital assets, which include property, plant and equipment, are reported in the governmental activities in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$2,500 or more for capitalizing capital assets. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets and related expenses are recorded in the Statement of Net Position and Statement of Activities, respectively, but are not reported in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	40 years
Machinery and equipment	10 years
Vehicles	5-15 years

F. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Webster Parish Fire Protection District # 10
Notes to the Financial Statements
For the Year Ended December 31, 2016

G. FUND EQUITY

In the government wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

In the fund financial statements, governmental fund equity is classified as fund balance.

Fund balances of the governmental funds are classified as follow:

Non-spendable - amounts that cannot be spent either because they are in non-spendable from or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors contributors, or laws or regulations of other governments.

Committed - amounts constrained to specific purpose by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level of action to remove or change the constraint.

Assigned - amounts the government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned - all other spendable amounts.

As of December 31, 2016, fund balances are composed of the following:

	<u>General Fund</u>
Unassigned	<u>622,276</u>
Total fund balances	<u>\$622,276</u>

Webster Parish Fire Protection District # 10
Notes to the Financial Statements
For the Year Ended December 31, 2016

H. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. BUDGETS

The district uses the following budget practices:

- A. The District prepares a proposed budget and submits it to the Board of Commissioners no later than fifteen days prior to the beginning of each fiscal year.
- B. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection (if required). At the same time, a public hearing is called.
- C. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- D. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted by the Board of Commissioners prior to the commencement of the fiscal year for which the budget is being adopted.
- E. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures which results from revenues exceeding amounts estimated require the approval of the board of commissioners.
- F. Budgetary appropriations lapse at the end of the fiscal year.
- G. The budget for the general fund was adopted on a basis consistent with generally accepted accounting principles (GAAP).

The revenues and expenditures shown on page 7 are reconciled with the amounts reflected on the budget comparison on page 19 as follows:

	<u>General Fund</u>
Excess of revenues over expenditures, GAAP Basis	\$ (305,927)
To add other financing sources	169,908
To adjust for receivables	14,815
To adjust for payables	985
To adjust for prepaid	(5,473)
To adjust for deferred inflows	<u>60,983</u>
Excess of revenues over expenditures, Cash Basis	<u>\$ (234,617)</u>

Webster Parish Fire Protection District # 10
Notes to the Financial Statements
For the Year Ended December 31, 2016

3 CASH AND CASH EQUIVALENTS AND INVESTMENTS

At December 31, 2016, the District has cash and cash equivalents (book balances) totaling \$454,864 in non-interest and interest-bearing deposits. The cash and investment accounts are reported as follows:

Cash	\$382,103
Restricted Cash	2,744
Investments	<u>70,017</u>
Total	<u>\$454,864</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of pledged securities plus the federal deposit insurance must at all times at least equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2016, the district had \$454,864 in collected bank balances. The deposits are secured by risk by \$250,000 of federal deposit insurance and \$135,361 of pledged securities and \$1,500,000 Line of Credit from Federal Home Loan Bank held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

4. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 2016 which are due by December 31 of each year.

	2016 Levied Millage
District Taxes:	
Operations and Maintenance	5.51
Bond	6.00
Taxable property valuation	26,847,589

5. RECEIVABLES

The General Fund receivables of \$291,034 as of December 31, 2016 consist solely of ad valorem taxes.

Webster Parish Fire Protection District # 10
Notes to the Financial Statements
For the Year Ended December 31, 2016

6. CHANGES IN GENERAL FIXED ASSETS

The following schedule presents changes in general fixed assets for the year ended December 31, 2016:

	<u>12/31/2015</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2016</u> <u>Balance</u>
<u>Governmental Activities:</u>				
Capital assets being depreciated:				
Machinery and equipment	<u>2,263,834</u>	<u>361,236</u>	<u>318,000</u>	<u>2,307,070</u>
Total capital assets being depreciated	2,263,834	361,236	318,000	2,307,070
Less:				
Accumulated depreciation	<u>841,543</u>	<u>125,839</u>	<u>318,000</u>	<u>649,382</u>
Total capital assets being depreciated, net	<u>\$1,422,291</u>	<u>\$487,076</u>	<u>\$ -</u>	<u>\$ 1,657,688</u>

7. ACCOUNTS AND OTHER PAYABLES

The payables at December 31, 2016 are as follows:

Accounts Payable	\$ 3,114
Pension Payable	11,176
Protest Taxes	<u>2,722</u>
Total	<u>\$ 17,012</u>

8. LONG-TERM OBLIGATIONS and other bond information

The following is a summary of the change in long-term debt for the year ended December 31, 2016:

<u>Governmental Activities</u>	<u>General</u> <u>Obligation Bonds</u>
Balance January 1, 2016	\$ 1,640,000
Additions	-
Deletions	<u>(56,000)</u>
Balance December 31, 2016	<u>\$1,584,000</u>

On June 6, 2013, the District issued \$190,000 of 7 year general obligation bonds. Principal of the Bonds is payable at the principal corporate trust office of Argent Trust. Interest on the Bonds is payable semiannually on March 1st and September 1st of each year, commencing September 1, 2013, by check mailed to the registered owner. Interest is variable between 2.75% and 4.25%.

Webster Parish Fire Protection District # 10
Notes to the Financial Statements
For the Year Ended December 31, 2016

The Bonds are in the denomination of \$5,000 each, or any integral multiple thereof within a single maturity, in fully registered form.

The Bonds maturing March 1, 2020, and thereafter, are callable by the Issuer in full or in part at any time on or after March 1, 2020, and if in part, in the inverse order of their maturities, and if less than a full maturity, then by lot within such maturity, at the principal amount thereof plus accrued interest to the date fixed for redemption.

The Bonds are secured by and payable from unlimited ad valorem taxation. The Bonds are being issued for the purpose of acquiring, constructing and improving buildings, machinery and equipment, including both real and personal property, title to which shall be in the public, to be used in giving fire protection to the property in the Issuer, said Bond having been authorized at an election held on June 6, 2013.

On April 23, 2015, the District issued \$1,500,000 of 15 year general obligation bonds. Principal of the Bond is payable at Patterson State Bank as the paying agent. Interest on the Bonds is payable semiannually on March 1st and September 1st of each year. Interest of the Bonds is 2.87%.

The Bonds are secured by and payable from unlimited ad valorem taxation. The Bonds being issued are for the purpose of acquiring, constructing and improving buildings, machinery and equipment, including fire trucks, to be used in giving fire protection to the property in the District, title to which shall be in the public.

The proceeds of the Bonds will be accounted for in a separate fund or account, which will be held by the District, separate from all other funds, solely for the purpose of paying costs of the Project and costs of issuance of the Bonds.

Interest expense paid during 2016 for debt service totaled \$62,246. The following is a schedule of future debt service payments for the 2013 bonds and 2015 bonds respectively.

The annual requirements to service debt outstanding at December 31, 2016, including interest is as follows:

Schedule of 2013 Future Bond Payments

Year	Principal Due	Interest Due	Total Debt Service
2017	27,000	3,628	30,628
2018	28,000	2,848	30,848
2019	29,000	1,855	30,855
2020	<u>30,000</u>	<u>638</u>	<u>30,638</u>
Total	<u>\$ 114,000</u>	<u>\$ 8,969</u>	<u>\$ 122,969</u>

Webster Parish Fire Protection District # 10
Notes to the Financial Statements
For the Year Ended December 31, 2016

Schedule of 2015 Future Bond Payments

Year	Principal Due	Interest Due	Total Debt Service
2017	80,000	41,041	121,041
2018	85,000	38,673	123,673
2019	90,000	36,162	126,162
2020	90,000	33,579	123,579
2021	95,000	30,924	125,924
Thereafter	<u>1,030,000</u>	<u>139,339</u>	<u>1,169,339</u>
Total	<u>\$ 1,470,000</u>	<u>\$ 319,718</u>	<u>\$ 1,789,718</u>

TOTALS

<u>Year</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Debt Service</u>
2017	107,000	44,669	151,669
2018	113,000	41,521	154,521
2019	119,000	38,017	157,017
2020	120,000	34,217	154,217
2021	95,000	30,924	125,924
Thereafter	<u>1,030,000</u>	<u>139,339</u>	<u>1,169,339</u>
Total	<u>\$ 1,584,000</u>	<u>\$ 328,687</u>	<u>\$ 1,912,687</u>

9. LITIGATION AND CLAIMS

The fire district was not involved in litigation as of December 31, 2016.

10. PENSION PLANS

The District does not participate in any pension or retirement plans

11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 29, 2018, the date which the financial statements were available to be issued. As of November 29, 2018, there were no subsequent events that would affect the financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

WEBSTER PARISH FIRE PROTECTION DISTRICT #10
MINDEN, LOUISIANA

Governmental Fund Type - Special Revenue Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Cash Basis) and Actual
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Over (Under)</u>
REVENUES				
Ad valorem taxes	\$ 126,000	147,000	142,991	(4,009)
Ad valorem taxes-bonds	\$ -	162,000	169,908	7,908
Interest	500	150	175	25
Intergovernmental - 2% Fire Insurance Rebate	17,500	15,500	15,358	(142)
Donations	500	-	-	-
Other Income	500	29,100	49,004	19,904
Total revenues	<u>145,000</u>	<u>353,750</u>	<u>377,436</u>	<u>23,686</u>
EXPENDITURES				
Current - public safety:				
Utilities	7,500	7,200	7,175	(25)
Office Expense	4,000	8,800	8,770	(30)
Fire Chief & Fire Calls	12,200	10,300	10,215	(85)
Commissioner's	900	810	810	-
Small tools & supplies	15,000	25,000	24,510	(490)
Insurance	25,000	29,000	28,567	(433)
Fuel	5,500	3,200	3,123	(77)
Repairs and maintenance	20,000	45,000	44,593	(407)
Legal & accounting	5,000	5,000	5,000	-
Advertising	1,000	20	20	-
Bond Interest & Principal	31,000	88,000	118,246	30,246
Vehicle Purchases	307,000	307,100	307,067	(33)
Equipment Purchases	-	45,000	44,839	(161)
Station Maintenance	97,500	9,500	9,118	(382)
Miscellaneous	-	-	-	-
Capital outlay	101,500	31,000	-	(31,000)
	<u>633,100</u>	<u>614,930</u>	<u>612,053</u>	<u>(2,877)</u>
Excess (deficiency) of revenues over expenditures	(488,100)	(261,180)	(234,617)	26,563
Fund balance at beginning of year	<u>686,759</u>	<u>686,759</u>	<u>686,759</u>	<u>-</u>
Fund balance at end of year	<u>\$ 198,659</u>	<u>425,579</u>	<u>452,142</u>	<u>26,563</u>

The accompanying notes are an integral part of this statement.

WEBSTER PARISH FIRE PROTECTION DISTRICT #10
MINDEN, LOUISIANA

Notes to Budgetary Comparison Schedules
For the Year Ended December 31, 2016

Sources/Inflows Of Resources

Actual amounts (budgetary basis "available for appropriation" from the Budgetary Comparison Schedule	\$ 377,436
Adjustment to revenue for accrual of ad valorem taxes on governmental modified accrual basis	<u>(64,766)</u>
Total revenues and other financing sources on the Statement of Revenues Expenditures, and Changes in Fund Balance	<u>\$ 312,670</u>

Uses/Outflows Of Resources:

Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 612,053
Adjustment for payables that are accrued on governmental modified accrual basis	<u>6,543</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 618,596</u>

WISE, MARTIN & COLE, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

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MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Minden Fire District #10
Minden, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Minden Fire District #10 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 2016 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2296 (the public bid law).

There were no expenses in an amount or of a nature that would require them to undergo the bid process.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required lists and no violations of the code of ethics were noted.

3. Obtain from management a listing of all employees paid during the period under examination.

No employees, not applicable.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

No employees, not applicable.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a budget.

6. Trace the budget adoption and amendments to the minute book.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

Actual revenues was more than 5% less than budgeted.

Accounting and Reporting

8. Randomly select 6 disbursements from each fund made during the period under examination and:

- (a) Trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) Determine if payments were properly coded to the correct fund and general ledger account; and

All twelve payments were properly coded to the correct fund and general ledger account.

- (c) Determine whether payments received approval from proper authorities.

Inspection of the images of the cancelled checks indicated approval from Denise Miller, Secretary/Treasurer for all invoices paid. We considered the signature of the Sec/Treasurer on the cancelled check as approval of invoices paid.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:11 through 42:2 (the open meetings law).

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We examined all bank deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

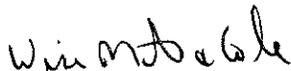
Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees, which may constitute bonuses, advance, or gifts.

No employees for the district so not applicable.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Minden Fire District #10 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Minden, Louisiana
November 29, 2018

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

Dear Chief Executive Officer:

Attached is the Louisiana Attestation Questionnaire that is to be completed by you or your staff. This questionnaire is a required part of the review/attestation engagement of Louisiana government agencies. Upon completion, the questionnaire must be presented to and adopted by the governing body, if any, of your organization by means of a formal resolution in an open meeting. Independently elected governmental officials should sign the document, in lieu of such a resolution.

The completed attestation questionnaire and a copy of the adoption instrument, if appropriate, **must be given to the independent certified public accountant at the beginning of the engagement.** The CPA will, during the course of his engagement, perform certain agreed-upon procedures to the responses in the questionnaire. It is not necessary to return the questionnaire to my office.

Certain portions of the questionnaire may not be applicable to your organization. In such cases, it is appropriate to mark the representation "not applicable." However, you must respond to each applicable representation. A 'yes' answer indicates that you have complied with the applicable law or regulation. A 'no' answer to any representation indicates a possible violation of law or regulation and, as such, should be fully explained. These matters will be reviewed by the CPA during the course of his engagement. Please feel free to attach a further explanation of any representation.

Your cooperation in this matter will be greatly appreciated.

Sincerely,

Daryl G. Purpera, CPA, CFE
Louisiana Legislative Auditor

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

_____ (Date Transmitted)

Wise, Martin & Cole, LLC

_____ (Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [] No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [] No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [] No []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

<u>W. Daniel Adams</u>	Secretary	<u>7/12/2017</u>	Date
_____	Treasurer	_____	Date
_____	President	_____	Date

OTHER SUPPLEMENTAL SCHEDULES

Webster Parish Fire Protection District # 10
Minden, Louisiana

Schedule of Compensation Paid Board Members
For the Year Ended December 31, 2016

The District paid the following amounts as compensation to the Board of Commissioners:

Gary Moreland	President	\$180
Daniel Davidson	Secretary/Treasurer	150
Fred Stewart	Commissioner	165
James Culpepper	Commissioner	165
Phillip Krouse	Commissioner	<u>150</u>
		<u>\$810</u>

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 10
MINDEN, LOUISIANA

Schedule of Compensation, Benefits, and
Other Payments to Agency Head
For the Year Ended December 31, 2016

Agency Head Name: Fire Chief, Russell Poole

<u>Purpose</u>	<u>Amount</u>
Fire Chief	\$ 1,200
Fire Personnel	792
Reimbursements	66
Dues	<u>5</u>
Total	<u>\$ 2,063</u>

OTHER INFORMATION

Webster Parish Fire Protection District # 10

Schedule of Prior Year Findings and Recommendations
As of and for the Year Ended December 31, 2016

2015-1 Significant Deficiency in Internal Control over Financial Reporting and Segregation of Duties

Criteria: As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare their annual financial statements. This condition is intentional by management based upon the District's financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. In relation to this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls.

Condition: Also due to the small number of volunteers, the fire district did not have adequate segregation of duties of functions within the accounting records.

Statement on Auditing Standards (SAS) 115 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Cause: The condition is due to economic limitations.

Effect: Misstatements in the financial statements or footnotes may not be detected.

Recommendation: No recommendation is made for this deficiency. Management must determine whether the benefit from an internal control exceeds its cost, and therefore it may be impractical to correct all deficiencies required to be reported under SAS 115. The cost benefit analysis is not a factor in the reporting requirements of SAS 115. We do not believe that correcting the significant deficiency as described above would be cost effective or practical for the North Bienville Fire Protection District therefore no corrective action is recommended.

Management Response: Webster Parish Fire Protection District #10 has a policy where invoices are to be approved by board members before being paid by Secretary. All checks must be signed by two board members.

Management has determined it is most economically to request CPA to propose adjusting entries and prepare the financial statements. Management understands they are responsible and this non-attest service is not seen as a conflict with the auditor independence.

Webster Parish Fire Protection District # 10

Schedule of Prior Year Findings and Recommendations
As of and for the Year Ended December 31, 2016

2015-2 Budget laws

Criteria: La Revised Statutes 39:1301-15 requires that if proposed expenditures were greater than \$500,000, the budget is made available for public inspection and is advertised in the official journal.

Condition: The district adopted the budget in an open meeting but it was not advertised in the official journal.

Cause: The district budget has always been under \$500,000, but due to purchase of equipment it exceeded. The board was not aware of the publishing requirement in the official journal.

Effect: The budget law was not adhered to.

Recommendation: The board should review Revised Statutes 39:1301-15 to understand all the requirements of the budget law.

Management response: Minden Fire Protection District #10 usually has an operating budget under \$500,000. This is the first year for the board as a whole to have a budget in excess of \$500,000. Although the budget was made public and was proposed and adopted at a public meeting that met the requirements of the Open Meetings Law, the budget availability was not published in our official journal. Now that the board is aware of this law it will be followed in any future budgets that exceed \$500,000.

Webster Parish Fire Protection District # 10

Schedule of Current Year Findings and Recommendations
As of and for the Year Ended December 31, 2016

2016-1 Significant Deficiency in Internal Control over Financial Reporting and Segregation of Duties

Criteria: As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare their annual financial statements. This condition is intentional by management based upon the District's financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. In relation to this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls.

Condition: Also due to the small number of volunteers, the fire district did not have adequate segregation of duties of functions within the accounting records.

Statement on Auditing Standards (SAS) 115 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Cause: The condition is due to economic limitations.

Effect: Misstatements in the financial statements or footnotes may not be detected.

Recommendation: No recommendation is made for this deficiency. Management must determine whether the benefit from an internal control exceeds its cost, and therefore it may be impractical to correct all deficiencies required to be reported under SAS 115. The cost benefit analysis is not a factor in the reporting requirements of SAS 115. We do not believe that correcting the significant deficiency as described above would be cost effective or practical for the Webster Parish Fire Protection District #10 therefore no corrective action is recommended.

Management Response: Webster Parish Fire Protection District #10 has a policy where invoices are to be approved by board members before being paid by Secretary. All checks must be signed by two board members.

Management has determined it is most economically to request CPA to propose adjusting entries and prepare the financial statements. Management understands they are responsible, and this non-attest service is not seen as a conflict with the auditor independence.

Webster Parish Fire Protection District # 10

Schedule of Current Year Findings and Recommendations
As of and for the Year Ended December 31, 2016

2016-1 Significant Deficiency in Internal Control over Financial Reporting and Segregation of Duties

Criteria: As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare their annual financial statements. This condition is intentional by management based upon the District's financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. In relation to this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls.

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